UNITED NATIONS

# World Chronicle

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## UNITED NATIONS WORK AND RELIEF AGENCY FOR PALESTINE REFUGEES IN THE NEAR EAST (UNRWA)

UNRWA is suffering from a precarious financial situation. It has used its working capital to cover annual deficits caused by the increasing demand on services to meet the needs of the growing numbers of Palestinian refugees scattered in the Middle East. Peter Hansen, Commissioner-General of UNRWA, discusses these and other issues related to the work of the Agency.

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**ANNOUNCER:** From United Nations Headquarters in New York, this is **World Chronicle**, an unedited interview programme about major global issues. Here now to introduce our guest is the host of today's **World Chronicle**.

**LITTLEJOHNS:** I'm Michael Littlejohns, and this is **World Chronicle**.

Since it began operations in 1950, the United Nations Relief and Works Agency for Palestine Refugees in the Near East, also known as UNRWA, has been providing a wide range of services and relief assistance to millions of Palestinian refugees scattered throughou the Middle East. But over the last few years, the Agency, which largely depends on voluntary contributions, has been suffering from a serious shortage of funds. What is the impact of this shortfall on the activities of the Agency? And what will happen to it if and when the peace process comes to a successful conclusion? Our guest today is Peter Hanse Commissioner-General of UNRWA. Joining me to talk with Mr. Hansen are Mohamed Saad of the Voice of America and Afsane Bassir Pour of *Le Monde*.

Mr. Hansen, welcome to World Chronicle.

**HANSEN:** Thank you.

**LITTLEJOHNS:** How serious is the UNRWA financial crisis? I mean, we know abou the problems that the UN itself is suffering with the tremendous shortfall because Member States don't pay their assessments. In the case of UNRWA, of course, which is voluntarily funded and therefore there's perhaps not the same strong obligation as there is to pay assessed contributions, how serious is it?

**HANSEN:** It's very serious. We had for this year a budget of $312 million. We received only about $240 to $250 million. We only know precisely at the end of the year. Which means that we've had a shortfall of more than $70 million, which is close to one-quarter of the whole expenditure of the Agency. And that is a very, very serious situation. It's serious because the Agency no longer has a working capital. So when the money is gone, it's gone. And we cannot meet any of our obligations.

**LITTLEJOHNS:** Have you had to cut back on services?

**HANSEN:** We have not had to cut back in the sense we had to stop certain service like stopping hospitalization or stopping schools and training and so on, but we were very close to having to do that. In fact, we had instituted measures to that effect in order to mak it through the end of the year. Luckily the donors, in the last moment as it were, came up with $20 million at a recent meeting in Amman, which means we can go to the end of the year and survive. But we are doing this in a context not only of no reserves of working capital, but also in a situation where the expenditure or the service level per refugee in dollar terms has already fallen some 20 per cent over the past six years. So the refugees ca feel that even though they can still have their children in school there are over 50 children

per classroom; even if they can get primary health care, there are more than 150 patient visits per doctor per day. In other words, we are straining very much the available resources we have.

**BASSIR POUR:** Leading to much frustration, I would presume, amongst the refugees.

**HANSEN:** The refugees have a great many things to be frustrated and angry about, but this is sort of adding insult to injury. When we are having to decrease or stretch even further the already very minimal services that the refugees are getting, it's no wonder that they are becoming very, very restless.

[ALL SPEAK AT ONCE]

**BASSIR POUR:** Sorry.

**LITTLEJOHNS:** No, go ahead, please.

**BASSIR POUR:** That's what – I was just going to follow up – that's what's surprising, because this issue is on the top of the agenda of the big countries such as the United States and some of the Western Europeans. And you would think that the –

**LITTLEJOHNS:** You mean the Middle East problem generally.

**BASSIR POUR:** The Israeli-Palestinian problem, of course, it's on the top of the political agenda of most countries. You would think that they would do what they could to at least lessen the frustration. And you're telling us that this – they're not doing that. Why do you think this is? Why aren't they paying?

**HANSEN:** Well, first of all, they are paying. We've had – none are paying enough, but we have had $250 - $260 million coming in this year. If you want to look at the good news, that is that contrary to many other UN agencies – UNRWA has not suffered a cut in income. Our problem is that the problems are increasing. The more severe the socio-economic situation in the area is, the more need there is for UNRWA services. And the Palestinian population, refugee population, is the fastest growing population in the world, which means that every year we have to cater to some – between 3.5 and 4 per cent higher population. And if you have a steady income and a population that increases by 4 per cent per year, you don't have to be a rocket scientist to see that you are accumulating then a structural deficit. And this is the situation we find ourselves in.

**SAAD:** How much is the Arab countries' contributions to the budget of the Agency?

**HANSEN:** The Arab countries contribute a little over 1 per cent of the entire budget, and that does not sound much –

**BASSIR POUR:** One per cent! It doesn't sound much.

**HANSEN:** And I would hope that they would contribute more. I have visited the [Persian] Gulf countries and I have been very well received, and I have very good

expectations that we will be getting more contributions from the Arab countries, but things take time also in that part of the world, and we have not yet seen the results. But in all fairness to the Gulf countries, I should say that countries such as Saudi Arabia and Kuwait are already paying more to UNRWA than if they were assessed to UNRWA, and a country like the United Arab Emirates are paying almost as much as they should. I hope that they will all increase and reach – if they would reach levels and everybody would reach levels such as Norway, which is paying 650 per cent of what they should, six and a half times more –

**LITTLEJOHNS:** When you say what they should, I mean, you're comparing it to the their UN assessment –

**HANSEN:** Exactly, I –

**LITTLEJOHNS:** – for the UN regular budget.

**HANSEN:** I want to have a benchmark on which donors can themselves realize whether they are paying enough or not, and the most universally agreed upon burden sharing criterion is the UN scale of assessments. That takes into account population size, gross national product, and so on and so forth. So even though they are not assessed, it is a benchmark by which you could say what is the fair share of individual countries.

**BASSIR POUR:** But they're not paying their fair share, again, because you're having – I mean, as you said, you're in financial crisis. My question is, again, why aren't they paying? Is it donor fatigue? For such an important issue, what was your conclusion of why there is no money?

**HANSEN:** Well, I'm sure that donor fatigue is a problem. I'm also sure that the current concerns about cutting public expenditures virtually everywhere else in the world make such budgets as humanitarian budgets and development budgets very easy targets to slash and cut. So, as I say, we might have feared that we would actually suffer decreases in contributions, but we have had a stable level of contributions.

**SAAD:** It's clear through the demonstrations and protests in Gaza and in the West Bank that the refugees take things for granted, and of course your activities have been enlarged through the decades, the last decades. How do you envisage the solution to the shortfall?

**HANSEN:** Well, the only solution can be, in my mind, an increase in contributions. The refugees are already only getting the bare minimum. I do not think we're talking about a spoiled refugee population. We are talking about people who have been refugees into the fourth generation, people who live without much hope. Whatever is going on in various negotiations, life in these camps, where little children have fathers who were refugees and their fathers have had their fathers who were refugees, they are enduring very great

hardships. But the gap must be filled, because to the refugees UNRWA is not just a provider of schools, social services, health care, UNRWA is also the embodiment of the international community's recognition of a problem and commitment to its eventual solution. So every time there's a reduction, as refugees see it, in UNRWA services, it's not just a reduction in calories and school hours, it's a reduction as I see it in the international commitment. And many of them are nervous that this is really a strategy on the part of the donors to do away with UNRWA and therefore do away with the refugee problem before that is reached in the various peace negotiations. They see it as a political issue rather than as a financial issue, because they ask, as you asked, how can this come to pass –

**BASSIR POUR:** Yes.

**HANSEN:** – for trifling sums, relatively, of $50, $60, $70 million.

**BASSIR POUR:** When will the issue of the refugees be dealt with, or when is it supposed to be dealt with in the overall Oslo Accords?

**HANSEN:** It's supposed to be dealt with in the final status negotiations. The Oslo approach is building on the theory that you start with the easy questions, and as you prove your capability of solving those, as you build confidence, you will be better able to address the more difficult ones further down the road. Now, whether in fact we have seen much confidence building and much increased belief in solving problems together, I shall not comment on here, but I would think that the refugee problems would be – the refugee issue would be among the most if not the most difficult issue, and therefore I would expect about the last to be addressed for that very reason.

**BASSIR POUR:** So you're in for the long haul?

**HANSEN:** Well, we don't particularly want to be in for the long haul. It would be a joyous day, the day we could close UNRWA and say "mission accomplished", but we could only close UNRWA when a full and comprehensive and just solution to the problem has been found, and I don't see that immediately in sight. But we must hope that it will be, and shall end soon.

**SAAD:** As a follow-up on this, do you still face any problems or any other obstacles from the Israeli Government in the performance of your own duties?

**HANSEN:** We do, we do face several difficult problems. We cooperate with the Israelis, as we must, when we have to import supplies through Israeli ports, as we have to travel through Israeli territory to get from Gaza to the West Bank or from Gaza to various other places in the region where we work – Jordan, Lebanon and Syria. And we have an ongoing discussion with the Israelis about the conditions under which they should let our staff travel as freely as is needed. We also are very much hindered by internal closures in the West Bank in addition to the problem of travelling in and out of Gaza.

**LITTLEJOHNS:** Is there a hostility on the part of the Israelis toward UNRWA, including yourself?

**HANSEN:** No, I don't think so. I do not think so. Certainly Israelis who are cognizant of the issues and who are knowledgeable are also aware that the whole region is better off for the relative stability that UNRWA can help bring about by catering to the needs of the refugees. So we have found a considerable understanding on the part of the Israelis that it is in everybody's interests to maintain UNRWA and to maintain the services as strong as we can.

**LITTLEJOHNS:** This is **World Chronicle**. Our guest is Peter Hansen, Commissioner-General of UNRWA.

**BASSIR POUR:** Mr. Hansen, as you well know, there has been a serious decline in the peace process. Now, you've been in the region. How have you seen – what has been the result of that? What's your observation of this decline?

**HANSEN:** Well, my observation is that people who have very little hope can lose whatever rest of hope they can. And this is something that I'm afraid of, and I worry that the Palestinians are coming to the end of their very great patience and very great ability to absorb indignity and pain. Let's not forget that over the few years, four years that have passed since Oslo '93, the GNP per capita, national income per head, has decreased by close to 40 per cent. When we have clos –

**LITTLEJOHNS:** Decreased?

**HANSEN:** Decreased. Every year an already poor population has become poorer in relative terms, poorer per capita. When we have closures, the unemployment shoots up to 60 per cent or more. Try to imagine any other –

**LITTLEJOHNS:** When you say "closures", what do you mean?

**HANSEN:** Closures, when the Israelis close the checkpoints so that people cannot go in and become occupied or find employment in Israel. You have to go to periods in recent history like the Great Depression to find anything that comes close to it. And if you think of how societies were collapsing, long-standing societies, or at least had their social fabric very gravely torn, how much do you expect or can one expect of the Palestinians to absorb by way of such real punishment? So –

**BASSIR POUR:** So when you say their patience is coming to an end, what would that mean?

**HANSEN:** Well, it would mean that, for example, as we had to tell them very recently, facing our own deficit, don't get sick, because you can't go to the hospital in November and December; don't expect that you can have your children get free primary

education any more, don't expect that we can come and fix your miserable disintegrating shelters, which we are trying to keep up. Then, you know, they really got, they really got – "upset" is a mild word. And we had demonstrations and very angry expressions against UNRWA. They don't always understand how much we depend on donor money. We have been a sort of a pseudo-government there for so many years, so they will ask me, "Why don't you raise taxes or print some more money, and take some loans?", and don't quite understand that, unfortunately, we can't do that, but we have to depend on the donors.

**SAAD:** But did you try first to try to reduce the structure side of the agency, instead of reducing the programmes or the services to the refugees?

**HANSEN:** Well, –

**SAAD:** I mean all the staff –

**HANSEN:** Yes. We are decreasing very much the international staff, but international staff in UNRWA, out of our almost 23,000 staff members – teachers, doctors, nurses, et cetera – we only have one half of one per cent who are international staff. We are trying to reduce that even further, but there is a limit beyond which you cannot go. We already have the most cost effective primary health programme that exists in the entire region –

**LITTLEJOHNS:** You mean international staff are more costly to –

**HANSEN:** International staff are more costly than local staff, exactly, and we can therefore not have the principle, that otherwise should always be respected, of equal pay for equal work. International staff work on UN salaries; the local staff work on Lebanese or Syrian or Gaza salaries.

**LITTLEJOHNS:** Mr. Hansen, let me ask you a question about the degree of coordination among the various UN bodies that are involved in the complex situation in the area. You have Ambassador Gharekhan, who was a senior aide to Boutros Boutros-Ghali, who has now gone to the area as the coordinator. What is his relationship to you in UNRWA, and how is the thing put together?

**HANSEN:** Well, I happen to know a little bit about that because I had to take care of both my own function and Mr. Gharekhan's function for a rather long period.
Mr. Gharekhan is endeavouring to bring the various agencies together in collaboration, and that is very necessary and worthwhile. UNRWA, of course, is by far the largest actor in the area. We must account for more than 90 per cent, I would believe, off the top of my head – by the way, remember, UNRWA does not just deal with the area of the Palestinian Authority, as Mr. Gharekhan does; we only have 40 per cent of the refugees are actually in Gaza and the West Bank. There are as many in Jordan and there are several hundred thousand, or way over half a million in Syria and Lebanon. But UNRWA itself is an example of a very

integrated UN structure. Our health department is directed by a WHO-appointed and -funded director; our education department is funded and appointed by UNESCO. So nowhere else in the UN system do you have that close and organic integration between various UN agencies as you have inside UNRWA itself.

**LITTLEJOHNS:** You don't have any turf wars, as they call them, in your –

**HANSEN:** No, not really. As over-stretched as we are, we are very happy to see other agencies coming in and being able to do something. I mean, we are not there in order to maintain UNRWA turf, we are there to serve the refugees, and if we don't have all the resources necessary to do that, all the better that others can step in and help, because help is very badly needed.

**LITTLEJOHNS:** What – I'm sorry, go ahead. We keep crossing!

**BASSIR POUR:** You have held many positions, as Michael was also referring to, at the UN, very recently in the Secretariat. Is this one of the most challenging jobs that you've had to do?

**HANSEN:** Oh, I think any job in the UN is very challenging, certainly a senior job. But this is very challenging in terms of the very difficult conditions you work under. But it is also extremely rewarding, and more rewarding than many other jobs because you are in such close contact with the people for whom you are working. If I feel tired of my paperwork which happens in the office, I can jump in a car and go and see a school for the blind or a health centre or –

**BASSIR POUR:** For relaxation.

**HANSEN:** Well, to see what we are actually achieving. And something happens there, you know, that has a direct human impact. It does have a – many UN programmes have a human impact, but there are few places where the distance between your own action and the impact on people in need is as visible and direct as it is in UNRWA.

**BASSIR POUR:** By challenging, I mean daunting. Do you sometimes say, well, this is a problem that can't be solved? What can we do about it? Does it feel that way?

**HANSEN:** It's true, it is daunting. You have three and a half million people who have been forced to leave their territory and dream about returning, and thinking about how these dreams can come true, or if they cannot come true what substitutes there will be for them, is truly daunting. And that is why, as I said, it's going to be a very hard nut to crack in the peace negotiations.

**SAAD:** Did you ever visit the Palestinian refugees in Lebanon?

**HANSEN:** Oh, yes, yes.

**SAAD:** Because they are in bad shape over there.

**HANSEN:** They are in probably the worst shape of all the refugee populations. Terrible conditions they're living under. And they don't have anybody but UNRWA really to fall back on, because the Lebanese Government feels that they have borne enough burdens from the Palestinians over the years. And that is a perception that, if you look at the history of Lebanon, you can put yourself into their shoes and understand it. But for the refugees, they are really in desperate straits.

**SAAD:** Is there any coordination between the Agency and the Lebanese Government on this issue?

**HANSEN:** We have to coordinate and work very closely with the Governments in all of the areas where we work, and we work closely with the Government of Lebanon also, and we would like to have a great deal, of course, better conditions for the refugees. In Lebanon, where camps cannot increase by spreading, because the land they have is limited, they increase by the second generation putting a story on the shack of the first generation and the third generation putting a story on the two other floors, with the result that the houses come together and close out all daylight, so the alleyways are like rat warrens almost. And when you then have no sewage and bad conditions, it is really quite horrendous.

**BASSIR POUR:** Can you remain neutral in this war, someone in your position?

**HANSEN:** Well, I --

**LITTLEJOHNS:** I guess you have to be.

**HANSEN:** Well, what I feel --

**BASSIR POUR:** Well, in your heart.

**HANSEN:** -- inside is what I think everybody would feel seeing the refugees, but I have to understand that these issues are complicated, and I have to gain the trust and good will of everybody I work with. So, unless I do that I can't do very much for the refugees.

**LITTLEJOHNS:** Do you have serious health problems in the refugee camps? You've spoken about the sewage and stuff like that.

**HANSEN:** We do have serious problems. Because of the financial crisis we have only half the sanitation workers we ought to have, which means that you have environmental hygienic problems there. Nevertheless, thanks to UNRWA's primary health care programme, the health standard of the refugees is actually among the highest in the region, and we have --

**LITTLEJOHNS:** That's because of all your medical services.

**HANSEN:** That is because of primary health care from pre-birth, child, maternal health care, throughout life -- primary health care, provision of medicine. And we do also work on the environment through the hygienic standards, through sewage and water projects.

**LITTLEJOHNS:** AIDS, do you have a problem with AIDS?

**HANSEN:** AIDS is not a problem to the degree that it is in many other societies. The refugee society is culturally a very conservative society, and they have rather strict moral norms for the kind of behaviour that can be associated with AIDS.

**LITTLEJOHNS:** You started out by talking about the financial contributions of some members, which you thought were not quite as high as they ought to be, given the UN assessment for the regular budget. What does the United States contribute? Given the fact that the United States is in arrears for its regular contributions to the UN.

**HANSEN:** The United States is a very good contributor to UNRWA. They pay what would be their full share. They're paid in full, and they paid on time, and they paid without conditions. I do think that the United States, with an eye on what is at stake in the region, in terms of the stability needed to even think about the peace process, are putting their money where their –

**LITTLEJOHNS:** Mr. Hansen –

**BASSIR POUR:** Who is the culprit?

**LITTLEJOHNS:** – Mr. Hansen, that's all the time we have. Everybody, that's all the time we have. Thank you for being with us on this edition of **World Chronicle**.

Our guest has been Peter Hansen, Commissioner-General of UNRWA. He was interviewed by Mohamed Saad of the Voice of America and Afsane Bassir Pour of Le Monde.

I'm Michael Littlejohns. Thank you for joining us. We invite you to be with us for the next edition of **World Chronicle**.

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